

→ Saffron's deep dive into the Metaverse

How will
brands get
versed
beyond?



SAFFRON

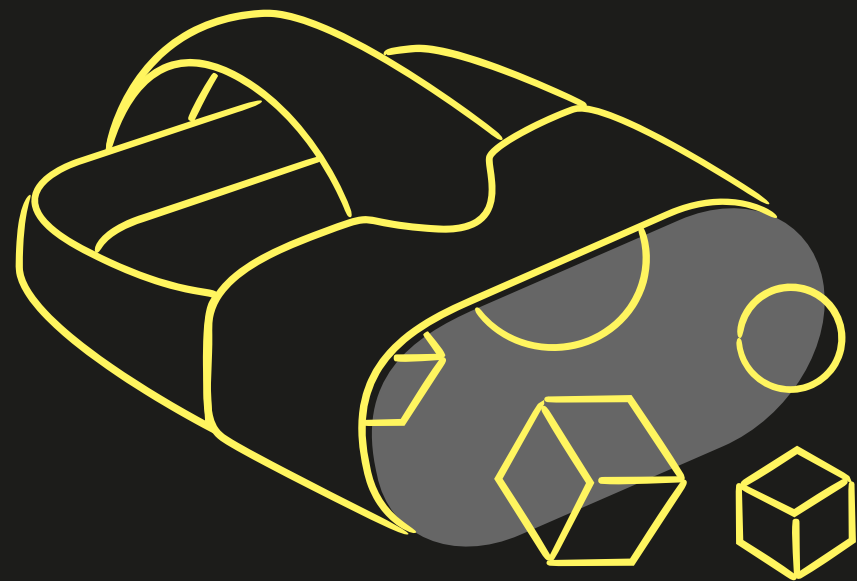
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A note by Saffron



At Saffron we are curious about what change means for brands, and the metaverse is no exception. In our report, we look at how brands will need to adapt both inside and outside of the metaverse.

Whether you're sceptical or excited, the metaverse represents a new and real source of disruption, changing the way people communicate, interact, transact, and how businesses operate.

Whilst collaboratively working towards the definition of the Meta brand, we have been thinking about and working with the metaverse up-close.

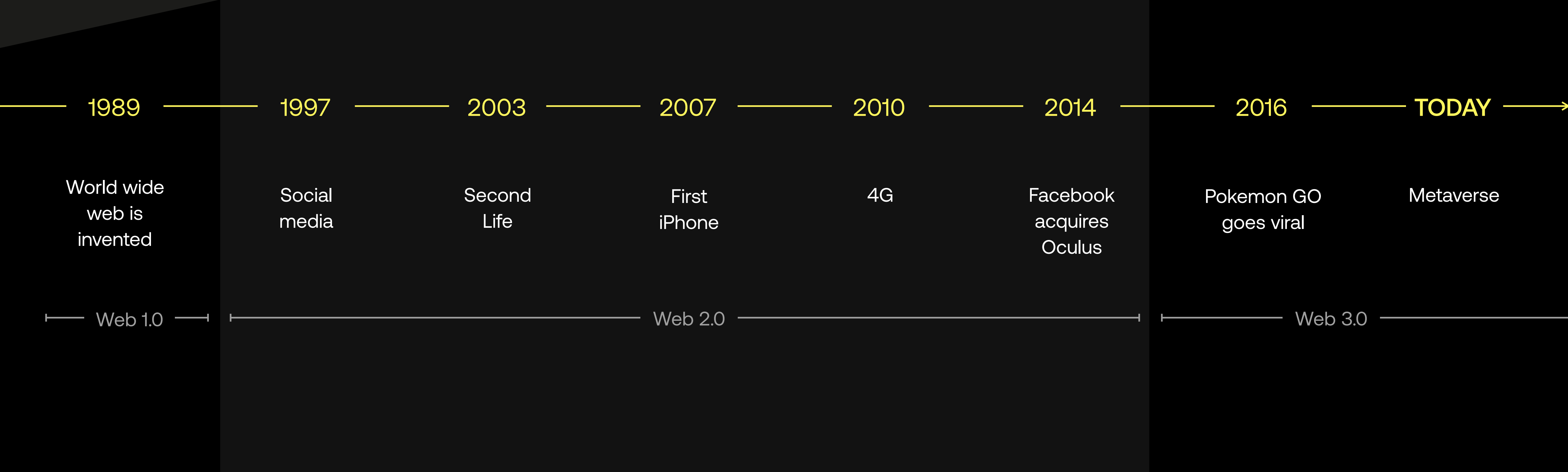
Through the lens of brand, we began to

explore many questions surrounding this new space. For example, how will each metaverse differ from each other and how will this affect brands? How will the metaverse open new ways to articulate brands?

We believe that the metaverse will offer considerable opportunities when it comes to creating brands, brand value and experiences that transcend both physical, social and virtual worlds.

Our report will provide continuous overviews and insights on how brands manifest strategically and visually in this space, with updates published regularly.

The metaverse is part of the next generation of the Internet



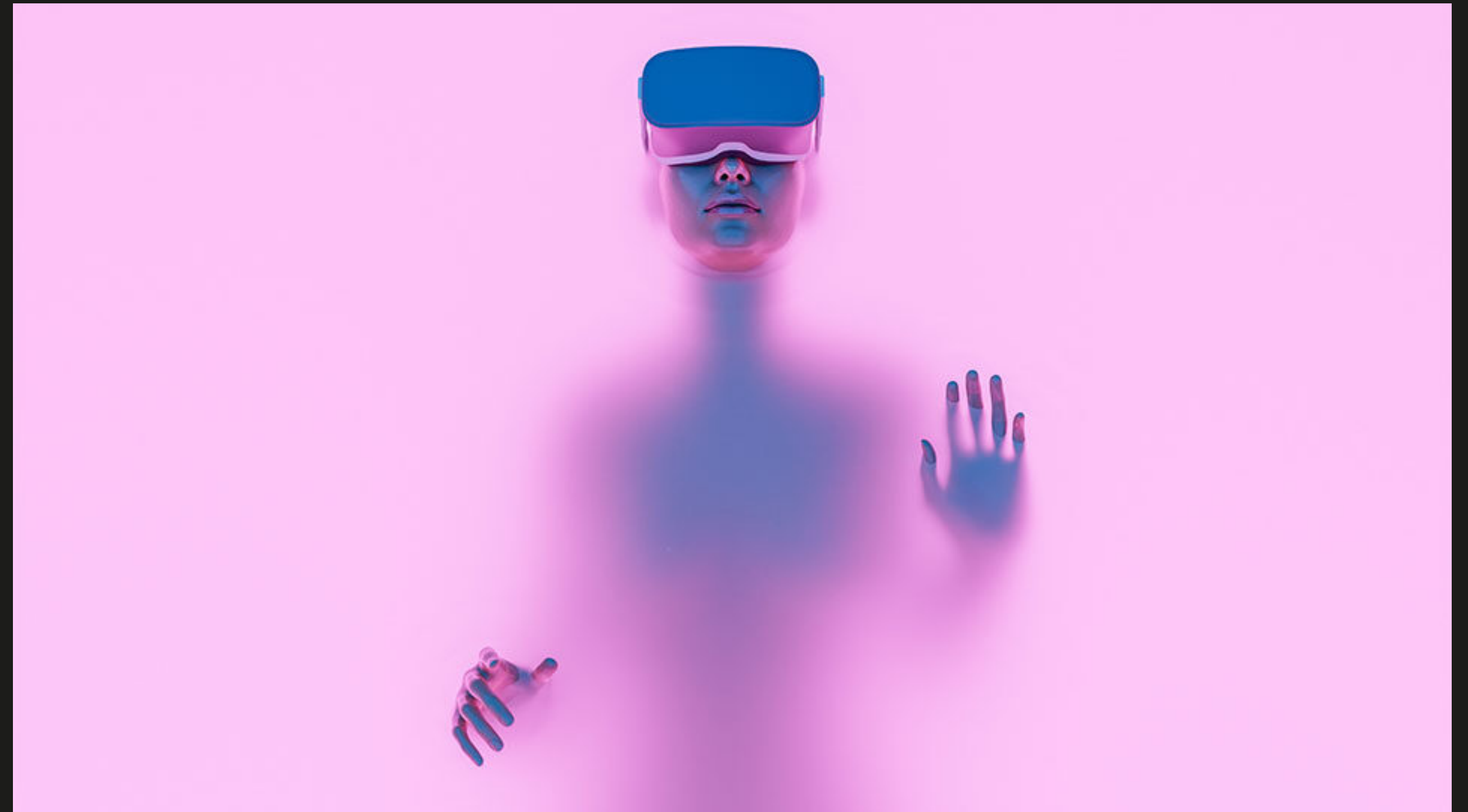
Going beyond the hype

Since the metaverse is still a ‘work in progress’, there is currently no concrete, universally agreed-upon definition, which leaves plenty of room for conjecture and uncertainty.

The pace at which the metaverse has quickly become a new marketing buzzword may feel as though it is no more than a passing trend. However, analysts are predicting that the metaverse will be worth \$758 billion by 2026*.

Beyond the hype will emerge a way for brands to develop new business models and create value for audiences, in terms of how they connect, communicate and transact.

*Global Metaverse Industry Report, 2022



“The metaverse is the future of the Internet. Or it’s a video game. Or maybe it’s a deeply uncomfortable, worse version of Zoom? It’s hard to say.”

– W I R E D

The preconception

Solely for gaming

Lots of siloed platforms

Purely virtual

Developed by one single entity

A finished product

The reality

The next generation of the Internet

The Metaverse will have use cases that transcend every industry.

One connected ecosystem

Eventually you will be able to move from one part of the metaverse to another seamlessly.

Immersive and always-on

The metaverse will connect physical and virtual worlds so that technology becomes all-encompassing.

Developed by a variety of companies

Over 160+ companies from a variety of different backgrounds are shaping the metaverse.

Constantly evolving

The metaverse is currently being built.

What's in it for brand?

The metaverse has the potential to be the next step in technological and social evolution for society.

Given that the metaverse is in its infancy, a lot remains unknown about the impact it will have. But it is precisely within the unknown that brands have a unique opportunity to try out new things, to experiment, to explore different angles to their personality and to engage with space and depth.

The first step is to acknowledge that the metaverse is not simply a platform or a technology but an approach to developing experiences. The immersive format of the metaverse will empower brands to create experiences that are unique, creative and most importantly authentic, built from a brand's DNA and purpose. With brand as a starting point, you can start to identify opportunities to bring your promise to life in new ways.

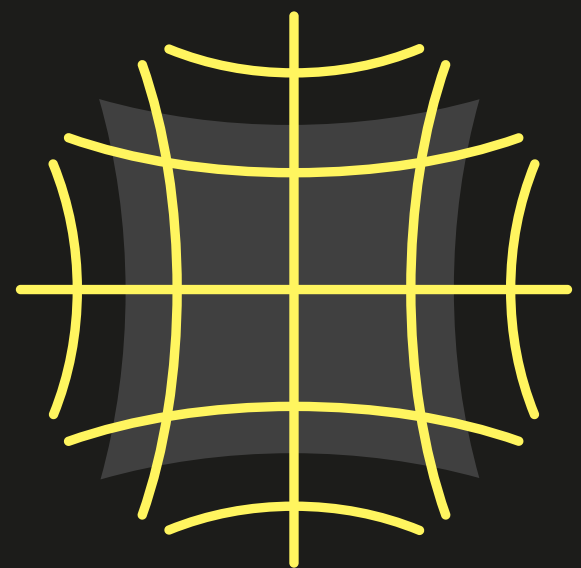


“It isn’t a game, website, or a place it's an approach or experience of life over the internet in its next evolution”

– Matthew Kanterman

From a Bloomberg Intelligence podcast

Taking brand beyond



Since the inception of the metaverse, brands have been quick to show up in one form or another. But *showing up* is only half the battle. Brands must also *work* in the metaverse, i.e. every interaction should be a meaningful exchange with audiences.

After all, brand is a consistent “story unfolding across all customer touch points”*. The metaverse simply represents a new cluster of touchpoints for brands to consider.

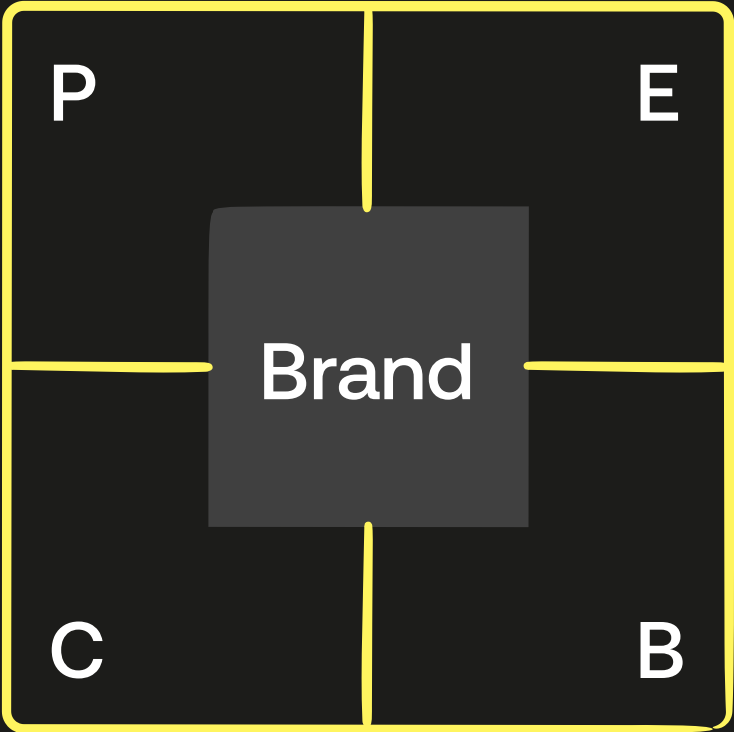
While this offers many opportunities to engage with audiences in new ways, to remain authentic, brand should be the

guiding tool for all activity within the metaverse.

In order to make brand work, Saffron believes the same principles that govern the real world apply to the metaverse. But at the same, the immersive quality of the metaverse represents limitless potential for brand expression.

That is why in this section, we use our brand vector model, which covers key aspects where brands live, to analyse some considerations brands must take within the metaverse.

Brand lives across four vectors



Product

Physical goods
Services
Platforms
Events
...

Environment

Office space
Interior design
UX & UI
...

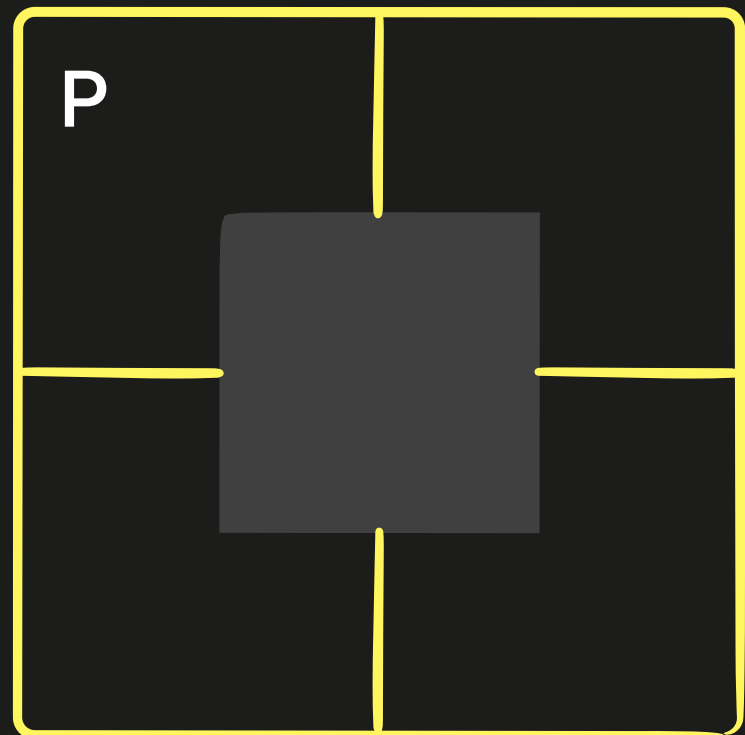
Communication

Social media
Press releases
Newsletters
Website
Conferences
Thought leadership
...

Behaviour

ESG
Customer support
Employee experience
Diversity & Inclusion
Policies and initiatives
Talent assessment
...

Product



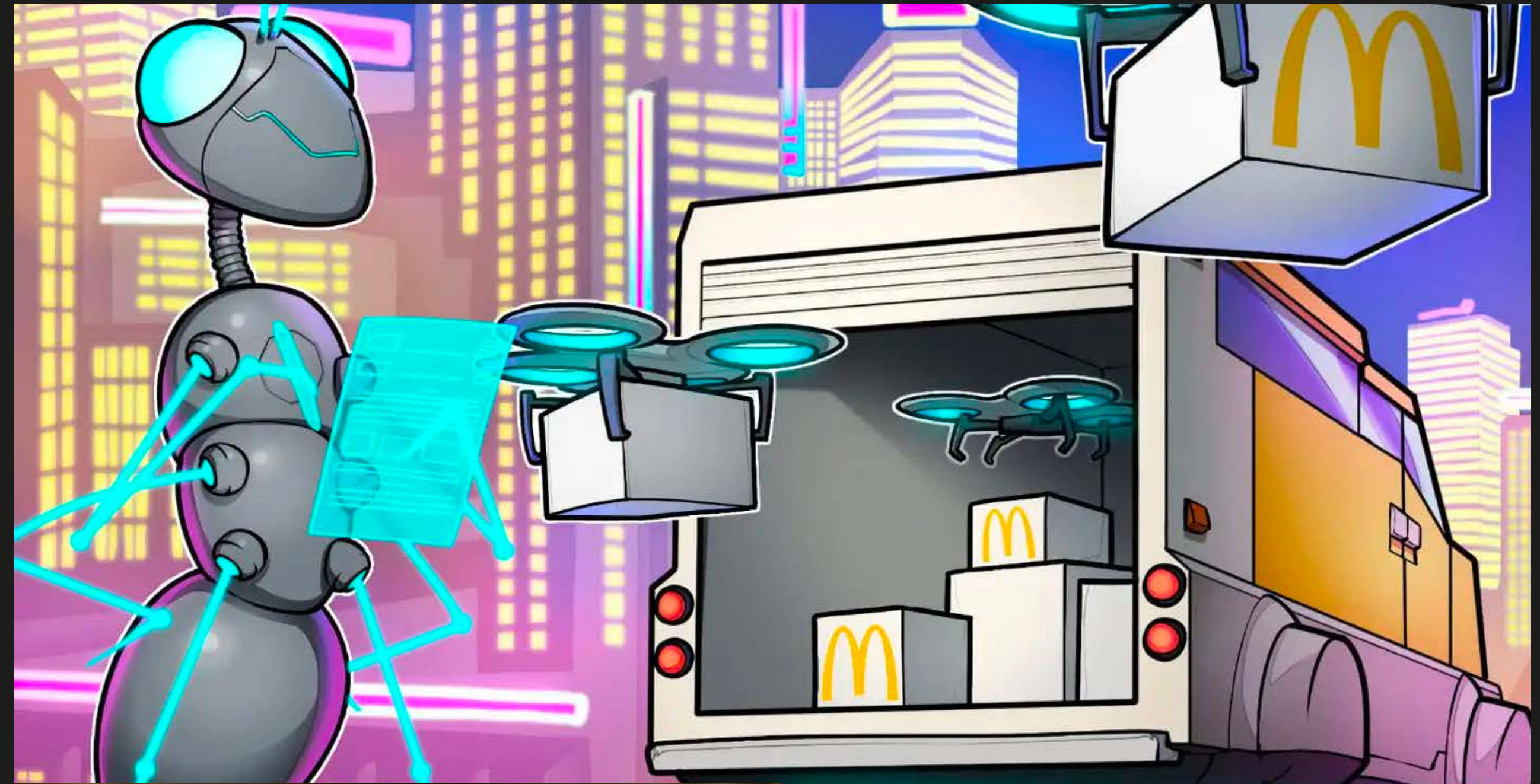
- How will physical products continue to be relevant?
- How will the relationship between brand and individual evolve?

How will physical products continue to be relevant?

Just as e-commerce on web 2.0 prompted physical businesses to have a presence online, the next iteration of the Internet will also pose new ways to promote physical offerings. Brands that solely offer physical products or services can leverage the metaverse as a new sales channel, not only reaching new audiences but capturing completely new consumption habits. McDonald's is meeting people where they are, and continuing to provide real-world value.

For some consumers, the presence of loved brands in the metaverse will provide a sense of familiarity, but more than that it's an opportunity for brands to develop new and unfamiliar ways to interact with these consumers, to stay relevant and top of mind through unexpected brand moments.

McDonalds can be ordered in the metaverse and delivered in person, they've also launched time-limited NFT products.



How will the relationship between product and individual evolve?

A huge benefit of the metaverse is its immersive nature, which offers new ways to interact with audiences. Some of the most successful brands have moved beyond e-commerce into i-commerce*, or immersive commerce, where transactions are based on deeper interactions with users.

Forever 21 has created a Shop City where users and fashion influencers own and manage stores to become the “top shop”. The City features themed districts where users can meet up and play. Gameifying the experience takes Forever 21’s promise of “affordable fashion for all” beyond a transactional promise, to one that customers can engage with, expressing their individuality with unlimited customisation options.

Forever 21 allows customer to build their own store in Roblox, within Forever 21 Shop city.



Top tips

→ Identify new consumption habits

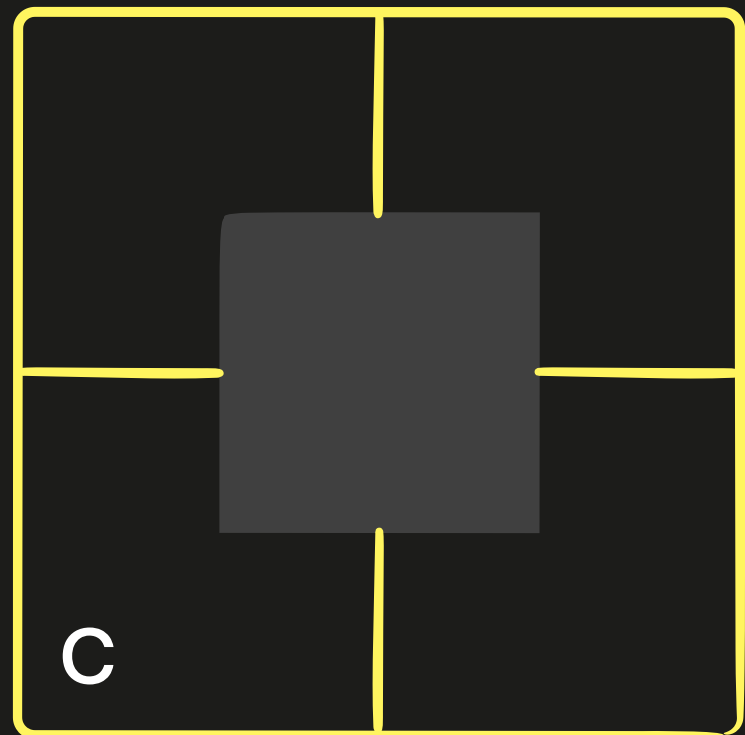
Brands don't necessarily need to create entirely new products to enter the Metaverse, it's an opportunity to extend.

→ Go beyond transactional relationships

Offering digital replicas of physical products is a limited growth strategy within the Metaverse, leverage the interactivity and immersive nature of the Metaverse to deliver on your brand promise in new ways.

The Metaverse as an opportunity for all brand vectors

Communication



- Will brands need to adapt how they sound?
- Will brands need to adapt how they look?

Will brands need to adapt how they sound?

With greater levels of immersion there is also an opportunity for brands to develop and control a more robust sonic identity, introducing a unique sound consistently at different points in a user's journey. As spaces such as TV, in-app and reality begin to blur, brands will need to think about developing a soundscape that is broader than just voice and music, what sounds will users hear during your metaverse brand experience?

Qatar Airways has developed a new Metaverse cabin crew Qverse, led by a human 3D model who guides users through the website supporting bookings / Mastercard launched a sonic identity to show up at interaction points with consumers.



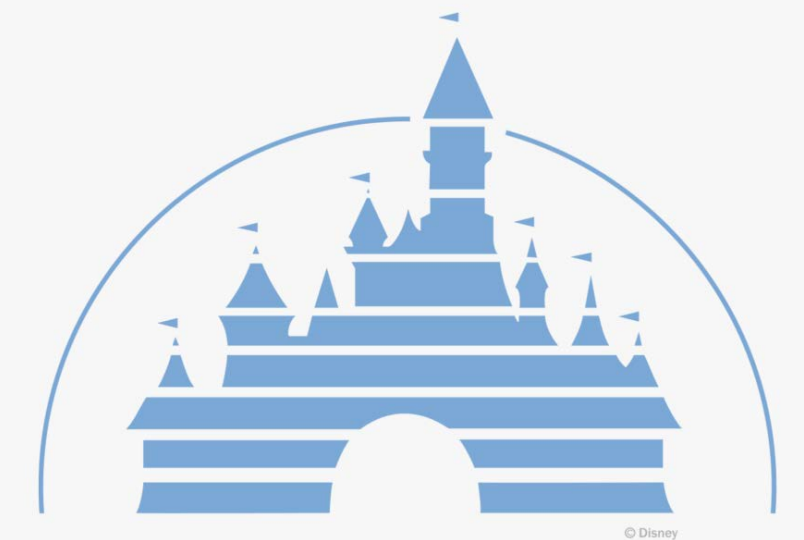
Will brands need to adapt how they look?

Adapting your visual communication to the Metaverse may seem daunting at first, but it is key to remember that the principles of a design system remain the same. A design system should grow over time, adapting and evolving with the brand's needs, but it should also continue to be recognisable and memorable to create an emotional connection with your audience.

Within the Metaverse, there is an opportunity to add more immersive tools to your design system, such as material, light, space, haptics and gestures to really play with the multi-sensorial potential of Metaverse.

What is important is ensuring you have an element of consistency that can also flex across physical and virtual, for example Disney's castle feature.

Disney flexes its visual communication for different touchpoints but remains consistent through key features.



Top tips

→ Consider how your brand will speak in new contexts

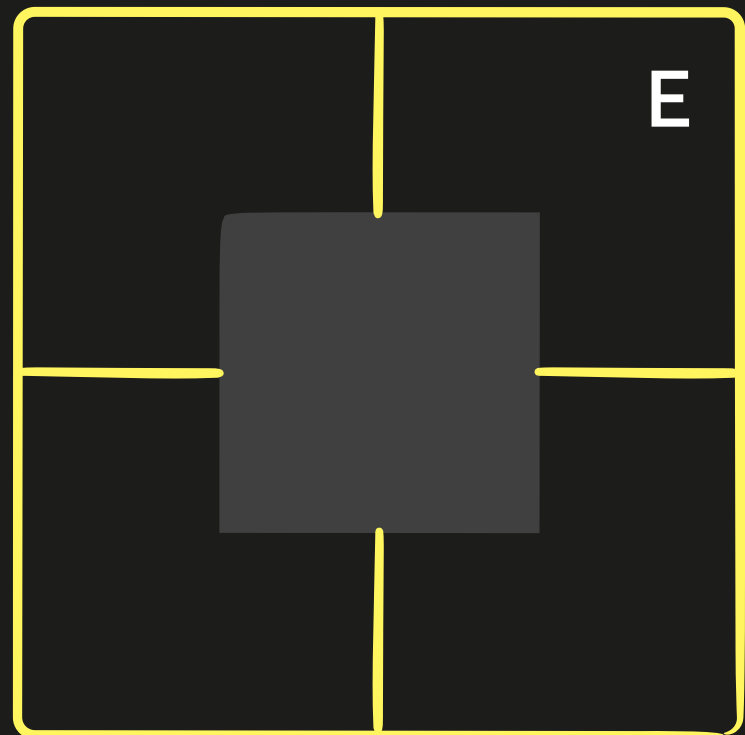
Just as brands have flexed their tone for different social media platforms, the Metaverse will pose a whole range of new contexts that will require your brand voice to flex.

→ Bring immersive and sensory tools into your design system

Leverage the immersive potential of the Metaverse to build multi-sensorial branded cues. For example, how could your brand signature become 3D?

The Metaverse as an opportunity for all brand vectors

Environment



- Does every brand need an environment in the metaverse?
- What should a brand environment look like in the metaverse?

Does every brand need an environment in the Metaverse?

At this stage, the Metaverse may feel more aimed at consumer brands, but let's not forget that much of consumer brand philosophy is also applicable to corporate brands, since you are ultimately speaking to people.

Webinars jumped in popularity during the pandemic but soon became a fatigued option. However, virtual 3D conferences offer the ability to replicate in-person interactions with key B2B decision makers, but with an extra layer of creativity. It also poses a huge opportunity for typically “boring” B2B brands to show off what they do, inspiring and educating younger generations to transform perceptions. Beyond connection, the tools of the Metaverse can help innovate real-world methods, acting as a test-bed for experimentation.

Mytaverse is designing spaces for conferences and meetings, even replicating chance encounters en route to meetings / BMW and Nvidia are collaborating to build a factory of the future using VR, Robotics and AI.



What should a brand environment look like in the Metaverse?

The beauty of the Metaverse is that there are no limitations. For the first time, overruns and planning permissions can be thrown out the window and blue sky thinking can be realised.

But with so many choices, how do you decide what your environment should look like? There is no value-add in simply recreating a virtual version of your real world environment, this is an opportunity to play with new technology and parameters to really test the limits of your brand essence.

Gucci took their Gucci Garden experience in Florence, to new heights within the Metaverse. Avatars enter as blank mannequins, absorbing elements from the spaces around them to emerge as a one-of-a-kind creation. Gucci leverages technology to build on its quest to empower individuals and expand self-expression.

Gucci Garden Archetypes is an immersive and multi-sensory showcase that extends from the real exhibition to a more experimental experience on Roblox.



Top tips

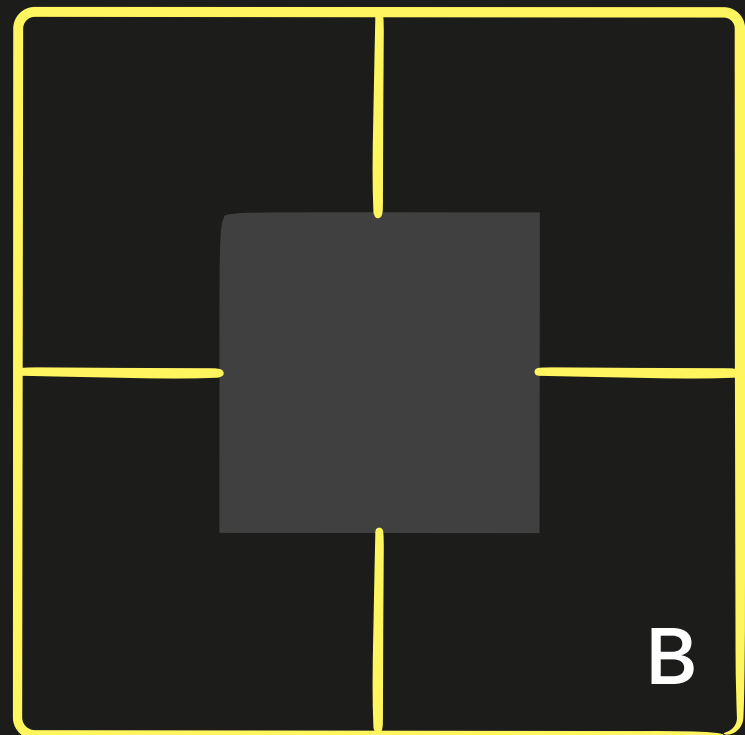
→ Take your audiences behind the scenes

Take the opportunity to showcase different angles of your brand to audiences, giving them access to parts of the business that can be exclusive to the metaverse.

→ Don't simply reproduce your physical space

The metaverse is predominantly used for gaming and entertainment, play on this expectation to design an environment that is interactive and engaging, leveraging the unique possibilities within the metaverse.

Behaviour



- How will brand purpose translate in the metaverse?
- How can brands ensure ESG compliance in the metaverse?
- How will company culture have to adapt?

How will brand purpose translate in the metaverse?

A brand should align the way it enters the metaverse with its purpose in the real world. With a strong and universal brand purpose, the metaverse simply offers more creative ways to make this purpose resonate: for instance, ensuring avatars behave with company values in the way they speak, move and interact with users.

Or in the case of H&M, using the gamified world of Animal Crossing to build on their sustainability promise. Fast-fashion brands are notoriously on the look out to expand product lines in response to changing trends, but what if the metaverse could help inform preferences and production to decrease waste? It's about making your presence in the metaverse feel intentional, not only in how your brand behaves, but how it operates.

H&M has launched a clothes recycling island on Animal crossing to build on their sustainability promise.



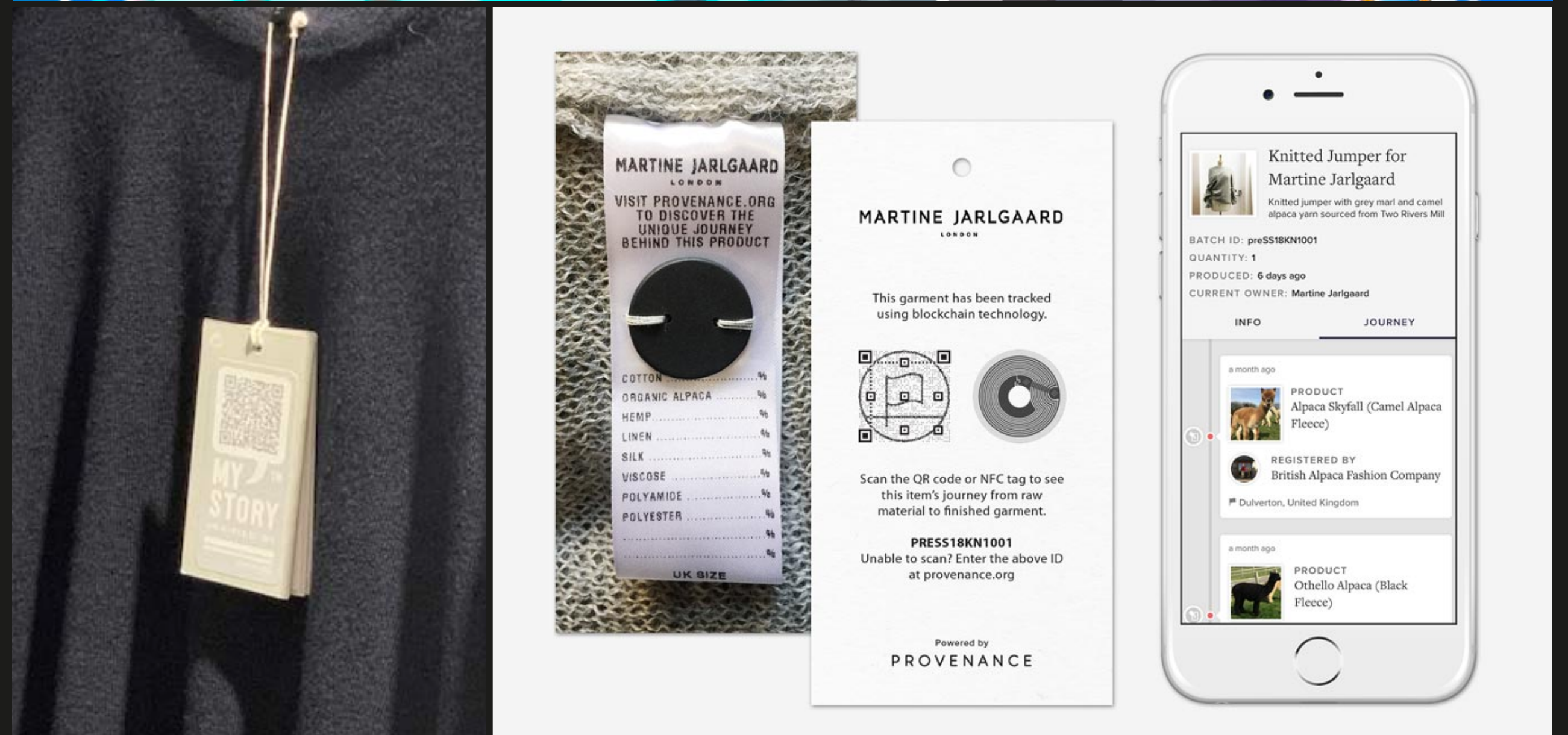
How can brand ensure ESG compliance in the metaverse?

ESG in the real world is tough enough for brands to navigate, without adding the metaverse into the equation.

There's a growing conversation about the environmental impact of the blockchain, the foundation upon which the metaverse sits. It's estimated that a single Ethereum transaction emits 110kg of CO2, equivalent to 42,734 Visa transactions*. Brands venturing into the metaverse will need to consider how they offset their carbon footprint.

Of course ESG goes beyond the environment and looks at social and governance aspects. With increased traceability and transparency, blockchain technologies arguably open up opportunities for brands to accountably demonstrate how they are delivering their promise to stakeholders.

Blockchain platform VeChain partners with fashion labels to verify and trace manufacturing journeys of products and make information available to consumers.



How will company culture adapt in the metaverse?

If we were concerned about working from home during the pandemic affecting a company's culture, the metaverse presents another form of disruption.

The ability to hire from all over the world based on in-demand skillsets rather than location is a great opportunity for diversity and inclusion. However it also presents challenges in maintaining a company culture amongst people who aren't physically sat next to each other, that is until technological developments fully replicate the feeling of being in the same room.

In spite of changing external environments, maintaining culture will still be about cultivating a strong Employee Value Proposition, one that fosters a sense of belonging whether an employee is sat in the metaverse or IRL.

Nike's is building out their metaverse skillset, but their EVP remains rooted in their purpose, which unites employees all around the world no matter what role or location.

The image is a screenshot of the Nike Careers website. The top section features a large hero image of a Nike building with the word 'TECHNOLOGY' in the upper right. Overlaid on the image is the job title 'DIRECTOR OF METAVERSE ENGINEERING' in large, bold, white capital letters. Below the title, the location 'Beaverton, Oregon' is written in smaller white text. At the bottom of the hero section, there is a white button that says 'APPLY NOW' and two icons: a share icon and a heart icon. The bottom section of the screenshot has a white background. It features the Nike logo and 'CAREERS' in the top left, and a hamburger menu icon in the top right. The main heading for this section is 'WE USE THE POWER OF SPORT TO MOVE THE WORLD' in large, bold, black capital letters. Below this heading is a paragraph of text: 'At NIKE, Inc., we see a world where everybody is an athlete—united in the joy of movement. Driven by our passion for sport and our instinct for innovation, we aim to elevate human potential. Whether our job is designing the ultimate sneaker or coding a revolutionary app, we're united by the same mission: to bring inspiration and innovation to every athlete in the world. That means you. Because, as Bill Bowerman—Nike's co-founder and legendary coach—once said, "If you have a body, you are an athlete." Every day, we are demanding a better future for ourselves, our athletes, and our communities. We believe that diversity fosters creativity and accelerates innovation. We believe in protecting a planet where all athletes can thrive. And we believe every kid, everywhere, should have access to sport.'

Top tips

→ Go beyond transactional relationships

Offering digital replicas of physical products is a limited growth strategy within the Metaverse, leverage the interactivity and immersive nature of the Metaverse to deliver on your brand promise in new ways.

→ Ensure all your actions in the metaverse are intentional

Consumers will be quick to scrutinise the behaviours of brands in the metaverse. All actions and initiatives need to be aligned to brand values and goals, to avoid being reduced to novelty, publicity or even greenwashing.

Learning Hub



With the metaverse still being built, developed and modified, entering the Metaverse is very much in an experimental phase. Some brands have been bold, others have played it safely.

There won't be a blueprint for entering the metaverse, but brand success will depend on the same criteria as the real world: relevance, authenticity, and differentiation.

Brands will need to enter a test and learn mode. With technology developing every day, this is a unique opportunity to experiment with new ways to deliver your brand promise.

Whether it's reaching new audiences, defining new offerings or completely reimagining the parameters of brand experiences, the opportunities are infinite.

Each brand must balance a risk and reward equation, assessing which platform to use, how to use it and whether their activity will add value.

The companies that are learning fast can offer inspiration and act as test cases.

The learnings hub is a repository of cases analysing the way brands are leveraging the metaverse today.

Nike is patenting virtual goods

Nike acquired digital design studio RTFKT to produce virtual wearables that can be used across games and augmented reality applications.

Brand learnings

- A natural brand extension, working at the intersection of sport, creativity, gaming and culture
- Acquiring companies with technical know-how to extend reach and capabilities

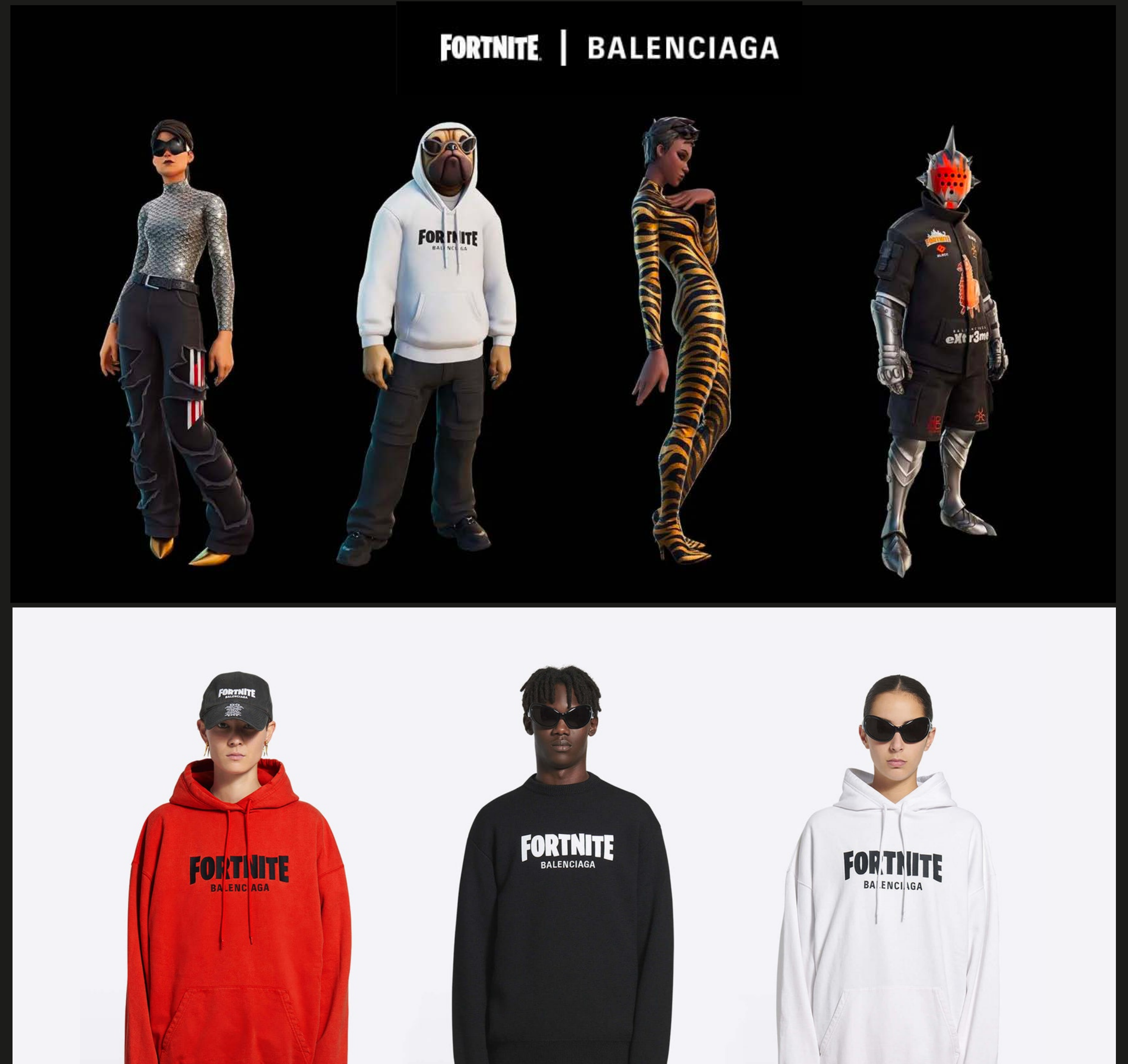


Balenciaga collaborates with Fortnite to release collection

The collection includes both in-game clothes and limited edition physical garments. In-game weaponry is given a high-fashion update in the form of iconic Balenciaga accessories.

Brand learnings

- Retained authenticity of Balenciaga designs
- Extends reach to new audiences in gaming world, whilst maintaining exclusivity
- Mutually reinforces allure of physical clothes



JP Morgan launches a lounge in Decentraland called 'The Onyx'

The Onyx lounge enables JP Morgan to operate like a bank in the virtual world just as it does in the real world, but with a twist. Upon entry to the lounge, visitors are greeted by a roaming tiger and a digital portrait of the CEO Jamie Dimon.

Brand learnings

- Playful elements to appeal to younger audiences, but may risk undermining parent brand
- Acts as trusted presence within the metaverse to tackle issues like account validation and fraud prevention



Hyundai vitalizes future mobility in Roblox

Hyundai launched "Hyundai Mobility Adventure", a metaverse space on Roblox, showcasing Hyundai's advanced products and future mobility solutions. It is a shared virtual space primarily aimed at younger users, with the goal of familiarising them with Hyundai Motor's products in order to nurture long lasting relationships

Brand learnings

- Using the Metaverse as a communication platform to familiarise young people with Hyundai Motor's new vehicles



Vienna City Tourism board uses an avatar of Freud to raffle trips to Vienna

Users can talk to Sigmund Freud in Decentraland, asking questions like “what does seeing pixel people do to your libido?”, for the chance to win a break from the digital world to visit Vienna.

Brand learnings

- Builds a meaningful, relevant and ownable experience within the Metaverse
- Simultaneously promotes a real experience and Vienna's brand on the world stage



Barbados to open the first diplomatic embassy in the metaverse

Allows Barbados to explore “what governments can do together when land is no longer physical and limitations are no longer part of the equation” notes diplomat Gabriel Abed*.

* Bloomberg 2021

Brand learnings

- Allows a small nation like Barbados to extend its footprint and express its interest in innovation and tech on a global stage
- Builds on perception beyond tourism



Energy giant Chevron files for NFT and metaverse-related trademarks

The applications express the energy giant's plans to expand its branded offer into virtual goods such as convenience store products, gas, fuel, lubricant and renewable energy products.

Brand learnings

- If virtual gas becomes a successful commodity in the Metaverse, Chevron may have first mover advantage
- But until then, this seems like a move to extend and protect Chevron's brand equity rather than develop new consumer value



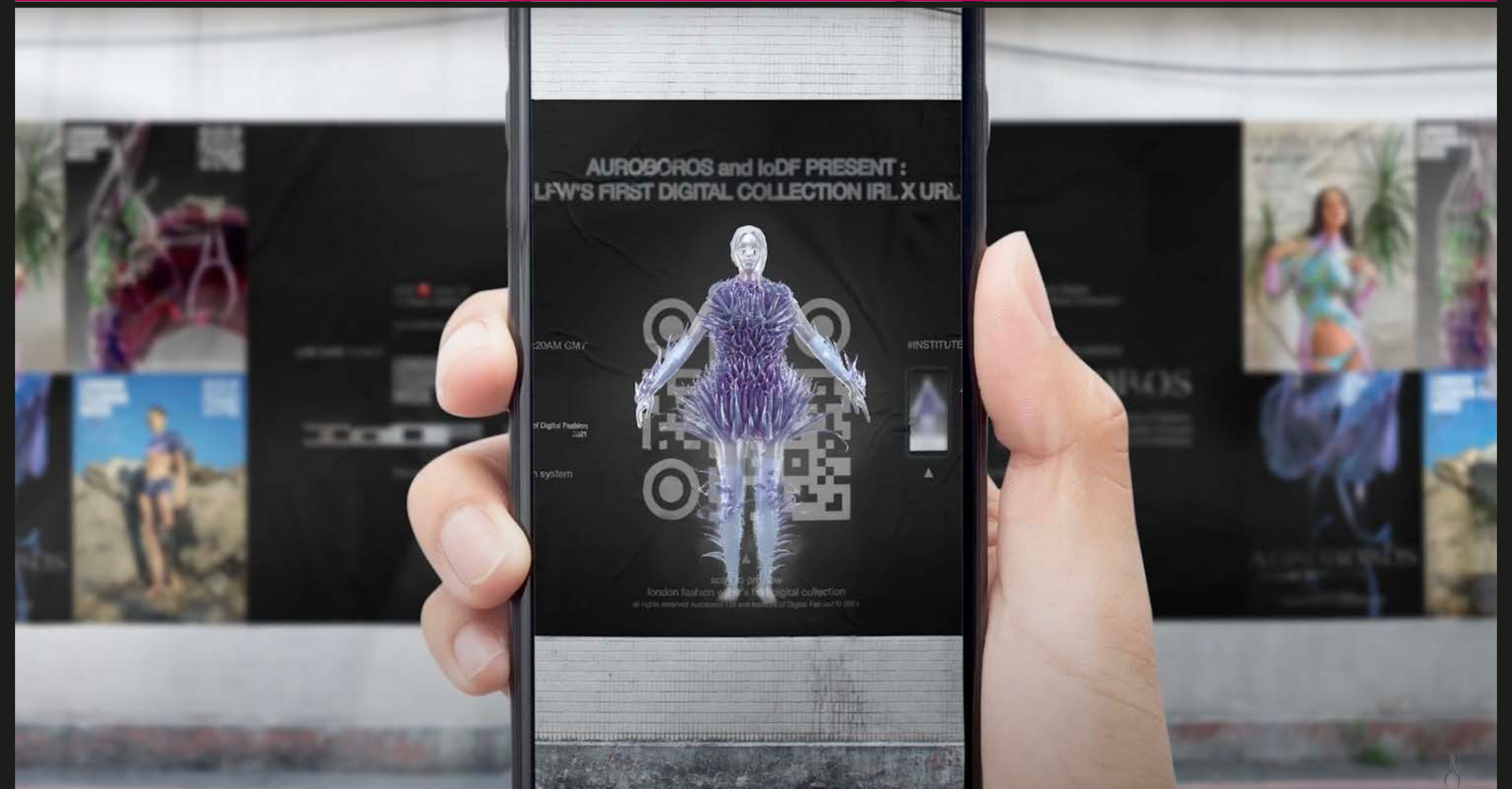
T-mobile partners with Disney Studio Lab to develop immersive experiences

The two companies have entered a five-year innovation partnership. T mobile will be supporting Disney's metaverse efforts with Ultra Capacity 5G to explore new ways to produce and distribute content.

Brand learnings

- Demonstrates T-mobile's innovation and technology capabilities
- Shows how they are bringing customer value beyond traditional transactional services

T Mobile | The Walt Disney Studios **studioLAB**





For a deeper dive into the learnings of this report, get in touch:
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